

09hr_ASC-CEJ_ab0649_pt07



(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Assembly

(Assembly, Senate or Joint)

Special Committee on Clean Energy Jobs...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (December 2012)



John Muir Chapter

Sierra Club - John Muir Chapter
222 South Hamilton Street, Suite 1, Madison, Wisconsin 53703-3201
Telephone: (608) 256-0565 Fax: (608) 256-4562
E-mail: john.muir.chapter@sierraclub.org Website: wisconsin.sierraclub.org

Support SB 450 / AB 649, The Clean Energy Jobs Act Before the Assembly Committee on Clean Energy Jobs, 02/02/10, RM 412E, Shahla M. Werner, PhD, Director, Sierra Club- John Muir Chapter

First, I would like to thank Clean Energy Jobs Committee co-chairs Reps. Black and Soletski for holding this public hearing on the Clean Energy Jobs Act today. As you know, the Sierra Club was one of the diverse stakeholders, which included utilities, labor unions, and industries that crafted the comprehensive Global Warming Task Force recommendations that provide the framework for this bill. We appreciate the tremendous effort that has gone into making sure that this bill embodies the spirit of that comprehensive roadmap that is critical to revitalizing Wisconsin's economy and reducing the threat of climate change.

The Sierra Club strongly supports provisions in AB 649 to reduce Wisconsin's electricity and natural gas use by 2% and 1% per year respectively through statewide energy efficiency programming, appliance standards and better building codes. These energy efficiency goals must remain separate from enhanced renewable portfolio standards in order to maximize environmental and economic benefits of both policies. Investing in energy efficiency is the single most cost-effective, powerful step that we can take to reduce the threat of climate change. For every dollar invested in energy efficiency, three dollars are saved by Wisconsin ratepayers. What's more is that jobs providing home performance evaluations, insulating attics, installing energy efficient heaters, hot water heaters and air conditioners, and installing energy efficient windows are jobs that can't be outsourced to China.

Sierra Club ardently supports Clean Energy Jobs Act provisions to create Advanced Renewable Tariffs, which have a proven track record of driving investments in small-scale distributed renewable energy at a minimal cost to a vast majority of ratepayers. ARTs will reduce the need for expensive transmission lines and provide families and farmers with the incentives they need to attain energy independence. Providing customers who invest in renewable energy systems with fair electricity buyback rates will in turn provide much-needed certainty to local Wisconsin businesses that install and manufacture clean energy components. These businesses have the potential to bring thousands of long-term private sector jobs to Wisconsin, but ARTs policies are critical to making that happen. A diverse group of stakeholders, including utilities, agreed to the ARTs language when it was included in the Global Warming Task Force recommendations. The Sierra Club urges our fellow stakeholders to support these same policies in the Clean Energy Jobs Act.

We also support increasing Wisconsin's commitment to using renewable energy to 10% by 2013, 20% by 2020, and 25% by 2025. In addition, Sierra Club would like to see a greater percentage of our renewable energy from in-state sources to ensure that green jobs are created locally. Finally, preserving the integrity of the definition of renewable energy- and excluding things like garbage burning- is critical to driving clean technology investments in Wisconsin.

Remember to Support the Sierra Club through your workplace giving campaign!
The John Muir Chapter is proud to be a member of



The transportation sector accounts for 24% of Wisconsin's greenhouse gas emissions. The Sierra Club is pleased to see aspects of the Clean Energy Jobs Act that favor vehicle and fuel efficiency, including restrictions on freight truck idling, enacting a low carbon fuel standard, enacting California emissions standards, and implementing a model parking ordinance. Enacting a low carbon fuel standard will also discourage the use of tar sands oil from Canada. Transforming tar sands into gasoline creates three times the greenhouse gas emissions as producing gasoline using conventional methods. It also leaches toxic arsenic and mercury into local communities and leaves deformed walleye, dead waterfowl, and elevated human cancer rates in its wake.

As much as we support efficient fuels and vehicles, we feel that provisions in the Clean Energy Jobs Act to incentivize traditional neighborhood development in local communities, to require Wisconsin's Metropolitan Planning Organizations to reduce greenhouse gas emissions and to require WisDOT to evaluate greenhouse gas emissions in future projects are the most powerful ways to reduce transportation's contribution to climate change by reducing vehicle miles traveled through advantaging compact, multi-use development over inefficient, isolated sprawl.

The Sierra Club feels that the language in the Clean Energy Jobs Act related to the construction of nuclear power plants is consistent with the Task Force recommendations that we supported. The new language applies to both merchant plants and utilities, and it would require a demonstrated need for electricity in Wisconsin- a state projected to have an excess of power for the next two decades- before a new nuclear plant is built. If changes to this language are needed, we urge drafters to work carefully to avoid discarding safeguards on nuclear plant construction that could negatively impact Sierra Club's support of this bill.

Finally, I want you to know that although the 15,000 jobs that this bill will create are vital, there is something even more important than jobs in this bill. Sierra Club is here today to urge real action to reduce the devastating threat of climate change to future generations who will have to live with the consequences of the energy choices we make today. We are here today to prevent the loss of eastern hemlock, as its disappearance will change the face of Wisconsin's north woods forever. We are here today to urge you as legislators to put partisanship aside and unite around the need to take the long view to solve this daunting problem. It doesn't matter whether you do it because you believe that climate change is real or because you believe in energy independence or because you would like less mercury in our fish and lower asthma rates in children- just as long as you support the package of policies that make up the Clean Energy Jobs Act.

Thanks for your consideration on the Clean Energy Jobs Act. We urge you to pass this vital bill this session without weakening amendments.





MEMORANDUM

Date: February 2, 2010
To: Assembly Special Committee on Clean Energy Jobs
From: Edward J. Wilusz, VP Government Relations
Subject: Comments on Assembly Bill 649

The following comments are offered on behalf of the members of the Wisconsin Paper Council regarding Assembly Bill 649 relating to the implementation of recommendations from the Governor's Global Warming Task Force.

The Wisconsin Paper Council is opposed to Assembly Bill 649.

Assembly Bill 649 proposes aggressive – and in our opinion costly – steps intended to move Wisconsin more quickly into the so-called green economy. We don't have a problem with Wisconsin positioning itself to take advantage of economic trends that point to a potential new economy. What we have a problem with are policy recommendations that we believe could significantly harm our existing economy. We do not believe it is necessary to harm the existing economy on the way to the new economy.

One key to protecting the existing economy is to recognize what it is. One key element of our existing economy is that it is powered by coal to a greater extent than most other states. This has helped to keep energy costs historically low, although that picture has changed in recent years. Another key element of our existing economy is that it is manufacturing intensive – more so than any other state, on a per capita basis. Important segments of our manufacturing base are energy intensive – paper making, metal casting, and food processing. As the state moves toward the future, our leaders need to recognize who we are and make sure that actions focused on the future don't harm the present economy.

The paper industry is part of Wisconsin's existing economy – we have been since 1848. Wisconsin is the leading papermaking state in the nation. We are among the leading paper recycling states. Paper industry employees earn an average annual wage of \$54,000, not counting benefits. These are great family-supporting jobs.

The existing economy can be a challenging place to be. Since 2000, our employment has dropped from about 52,000 to about 32,000. Mills have been forced to close in

Assembly Special Committee on Clean Energy Jobs

Comments on Assembly Bill 649

February 2, 2010

Page 2

Neenah, Menasha, Kimberly, Niagara, and Port Edwards. Many machines have been shut down in mills that remain open. The driving forces behind these cutbacks are largely systemic and driven by fierce global competition. The recent recession has only exacerbated these problems.

Within this environment, the top priority for our members has been to control costs. Our request of government is to be our partner in controlling costs, not an adversary that increases our costs.

The Wisconsin Paper Council participated on the Global Warming Task Force through Tom Scharff, NewPage Corporation, who is the chair of our Energy Committee. Tom was one of three traditional manufacturer votes against the recommendations. The fundamental reason for this opposition was the fear that the recommendations could significantly increase costs for mills. Assembly Bill 649 includes many, but not all, of the Task Force recommendations, plus a few new provisions. However, our concerns regarding the potential cost impacts on our industry remain.

We want to highlight a couple of major concerns relating to energy efficiency and renewable resources, then address remaining issues of concern. This is not intended to be an exhaustive list of issues, but is intended to put key issues on the table.

Energy efficiency is a high priority for paper mills. The paper industry is the largest industrial energy user in the state. National statistics indicate that energy use per ton of production dropped 10% between 1998 and 2006 (for the broader forest products industry the figure is estimated to be closer to 14%). Some mills in Wisconsin have already reduced energy use by almost 25% per ton of paper produced. All of this occurred in the existing economy because of competitive pressures.

One major issue of concern is a requirement that industrial boiler owners annually inspect their boilers and, based on this inspection, they must take actions to maximize efficiency and minimize greenhouse gas emissions. There is no consideration of costs or benefits, just a mandate to act. We fear that the costs of this requirement could dwarf any energy savings. There are two reasons for this. First, boiler modifications can be expensive. Costs would be expected to vary from boiler to boiler, but could easily be in the millions, per project. Add to this an estimate by industry professionals that boiler efficiency gains would likely be limited – perhaps in the low single-digits. Yet the state would mandate that projects that may not be cost-effective be undertaken anyway.

The second reason that we think costs could far out-weigh benefits is that these required boiler projects could trigger the need to install expensive pollution controls under the Prevention of Significant Deterioration program. This program requires the installation of Best Available Control Technology when certain actions are taken, like boiler modifications. The need for and level of control required to be installed will vary from boiler to boiler, but if a scrubber is needed to control sulfur dioxide emissions, the

cost could be in excess of \$10 million. If controls to reduce nitrogen oxides are necessary, the cost could also be in excess of \$10 million. Both types of control could be required. The disincentive for boiler energy efficiency posed by the PSD program is well understood and was discussed by the Task Force. However, there is nothing that Wisconsin can do about this national program.

We recommend that the industrial boiler provision be deleted.

Another major concern relates to the renewable portfolio requirement that Wisconsin utilities generate 25% of their energy from renewable resources by 2025. Our concerns, once again, relate to costs, not to the use of renewables, per se. The forest products industry is a leading generator and user of renewable energy. Nationally, 65% of forest products industry energy comes from renewable resources. However, this figure would be somewhat lower for Wisconsin due to our facility mix.

Renewable energy provided to the grid is expensive. There seems to be little doubt about that. National statistics that we have seen put the cost per MWh of renewable energy at about two to four times the national average cost per MWh for all fuels. We don't know if the estimate of \$16 billion in cost increases to reach 25% by 2025 is right, but work by others appears to indicate that \$16 billion is probably in the ballpark. Regardless of whatever assumptions are made, the cost will be well into the billions. It is hard to imagine how this level of cost increase, along with other potential cost increases, could be offset by energy conservation, such that net future energy costs would be less than current costs. It is also hard to imagine how this level of cost increase would not have an adverse impact on the paper industry, perhaps a significant adverse impact. One of the shortcomings of the bill is that there is no process for considering the costs and benefits.

Another concern that we have relates to the potential impact of an enhanced renewable portfolio standard on the price of biomass, particularly pulp wood. Biomass is the only renewable fuel for which there is an existing, competing market. Paper mills use wood biomass to make paper and other segments of the forest products industry use wood biomass to make other value-added products.

We are concerned that as the renewable target for utilities increases, demand for wood biomass by utilities could drive up prices for pulp wood and other raw wood products used by the existing forest products industry. This could result in raw material prices increasing – no doubt, along with energy prices – resulting in a double cost hit for our industry. At least one study has shown that the economic value of utilizing a ton of wood to make value-added products like paper is ten times higher than the economic value of using a ton of wood as fuel. From a broad economic standpoint, it is important that the state not spend a dollar to gain a dime, as would be the case if wood is diverted from product manufacturing to energy use.

Policy "circuit-breakers" could help mitigate cost increases. For example, the renewables target for a particular utility could be suspended if biomass supply to meet both the needs of manufacturing and energy generation is not sustainable, if pressure on the wood supply from energy generation pushed up prices for manufacturers, if the cost to ratepayers exceeded some pre-defined threshold, or if excess energy generation capacity exceeded some pre-defined maximum allowable level. The key word here is "mitigate". Even if these steps are taken, some cost increase would likely result. It remains to be seen if such cost increases would be acceptable to paper companies struggling in an extremely competitive environment.

Returning to the issue of energy efficiency, we are concerned with the apparent belief that improved statewide energy efficiency is only possible through a massive government program. We aren't saying that some government assistance isn't valuable – programs like Focus on Energy are very good and our industry is an active participant. But we are concerned that program increases in the \$200-300 million per year range, as recommended by the Task Force, and funded through energy fees, will impose significant short-term harm to the economy.

In the interest of full disclosure, it must be pointed out that fees paid by large energy customers, like paper companies, are capped at pre-Act 141 levels. Assembly Bill 649 does not eliminate this cap. However, the Task Force discussed this issue and we are well aware that it will come up in debate over this bill. We are currently researching the cost-benefit break point for our industry. Preliminary indications are that it would not take a very significant fee increase before the costs would out-weigh the benefits for our industry. Increasing our fees to the levels envisioned by the Task Force would be very harmful and could cost individual companies hundreds of thousands of dollars annually. In some cases, costs could be in the millions per year.

Another aspect of this issue that is of concern is the process for setting fee levels. There is nothing in the bill that specifies what fees would be, so we have no option but to assume that the intent is to raise fees to the levels recommended by the Task Force. The bill outlines a general process that the Public Service Commission must follow to determine funding levels. It is our view that this type of "black box" approach that turns over the authority to raise taxes by hundreds of millions of dollars to an unelected commission is not appropriate. If the state determines that significant additional funding for energy efficiency is necessary, the Legislature should make that decision as part of a public process in which it is clear to all how much energy fees will increase.

Much is made of the potential for efficiency efforts to reduce overall energy costs. This is obviously possible – it is why paper companies and other energy intensive industries put so much effort into efficiency projects. The result, at least partially due to efficiency efforts, is that industrial energy use – along with greenhouse gas emissions – has been flat or declining in recent years. However, if fees are increased to the levels recommended by the Task Force, we are doubtful that the gain will out-weigh the pain. In any event, we are concerned that the pain would be inflicted in the short-term, while

the gain would be spread over the longer-term. Our members would need to survive the cost increases and remain competitive in the global marketplace before any savings would be realized.

One option for managing this situation would be to take a much more incremental approach than is recommended. For example, energy efficiency and conservation fees and programs could be maintained, as under current law. A study of options and potential improvements could be required periodically, similar to the process included in the bill. However, the output would be a report to the Legislature. The Legislature could then undertake a public process of review and action, as appropriate. The Public Service Commission would not have independent authority to raise fees. Under this type of process the planning horizon would be shorter, allowing a more accurate comparison of costs and benefits.

Following up on the renewable energy issue, a positive provision in the bill makes participation in the renewable energy credit program broadly applicable, including for industrial sources. The provision relating to renewable electrical energy appears to be broad and flexible. However, the provision relating to non-electric energy, such as steam, is limited. The bill limits non-electric certificates to a life of one year (or less) and the ability to generate certificates is limited to new generation and must replace fossil fuels. In our view this is unnecessarily restrictive. Non-electric energy certificates should have an unlimited life, like electric energy credits. Existing sources should be allowed to generate certificates if they increase production above some type of historical baseline. In this case, the facility would not be bound by the fossil fuel replacement condition. This change should apply to all existing renewable energy assets, including hydro. We also recommend that combined heat and power projects – a much more efficient way to generate energy – be rewarded with a credit or certificate premium that is higher than 1:1. Finally, we recommend that language be added to the bill that would federalize Wisconsin's renewable portfolio program if Congress acts to create a national program. Our understanding of discussions at the federal level is that any national program would not be delegated to states and states would need to comply with the federal program, regardless of other state requirements. Failure to federalize could result in duplication of effort by utilities and unnecessary cost increases for ratepayers.

Another issue related to renewable energy is renewable tariffs. The bill would mandate that utilities pay a premium for renewable energy. We are opposed to such a mandatory approach, unless safeguards for ratepayers are built in.

We also have concerns about the low carbon fuel standard. We understand that the bill does not mandate such a standard, but it sets up a process for getting there. A low carbon fuel standard could have significant adverse impacts on the price of vehicle fuels in Wisconsin. This is a concern for the paper industry because our industry pays for the cost of shipping our products to customers. If a low carbon fuel standard drives up diesel fuel costs, our members pay that cost increase directly. Given the nature of our business, it would be difficult to pass these costs on to customers. And because

Assembly Special Committee on Clean Energy Jobs

Comments on Assembly Bill 649

February 2, 2010

Page 6

Wisconsin is more exposed to the impacts of a low carbon fuel standard than many other states, we could be facing a cost that our competitors in other states will not face.

In conclusion, the paper industry has been a long-term, important part of Wisconsin's economy and we hope to be an important part of the future economy. However, we have serious concerns about the potential adverse cost impacts of several provisions in Assembly Bill 649. We need the Legislature to be our partner in addressing these concerns and help our members to keep costs down. We have some ideas about how our concerns might be addressed and we are willing to discuss these issues with the members of this committee or with any other Legislators.





WISCONSIN CAST METALS ASSOCIATION

Oconomowoc Business Center
405 East Forest Street, Oconomowoc, WI 53066
Tel: (262) 244-0045 ♦ Fax: (262) 567-5323

**Statement of Wisconsin Cast Metals Association
Assembly Special Committee on Clean Energy Jobs
Hearing on Assembly Bill 649
February 2, 2010**

As an energy-intensive industry that in better economic times employed almost 20,000 Wisconsinites in metalcasting at an annual payroll of three-quarters of a billion dollars, we are very concerned about certain aspects of this proposed legislation.

How Will Renewables Impact Rates?

One critical area of concern is what the impact will be on utility rates due to a substantially-increased renewable energy mandate. While many of us may support a renewable energy quota in the abstract, we think it's reasonable for all ratepayers (residential, commercial, and industrial) to ask what a 25% mandate might cost them.

The cost of constructing renewable power generation is only part of the equation. A potentially greater challenge is how that power can be integrated and effectively managed on the transmission grid. Renewable power is not base load electricity; there are many complexities involved in utilizing a variable power source. The American Transmission Company already has a ten year, \$2.5 billion plan that will more than double the investment to date in transmission system improvements. Significantly, that total does not include the kind of upgrades necessary for a "smart" transmission grid to manage increased production of renewable energy in Wisconsin. The future cost of this transmission capability and its impact on utility rates is a major unknown under the proposed renewable mandate. Even the \$16 billion cost estimate for the 25% renewable mandate does not include transmission cost – we think the ratepayers are entitled to that information before making a commitment of this magnitude!

WI Electric Rates No Longer An Advantage

Electric utility rates were not so long ago a positive factor for businesses looking to locate in Wisconsin. A relentless series of rate increases over the last decade for a variety of purposes, including generation and transmission upgrades, have eliminated that advantage. With \$1 billion in approved rate increases over the last five years alone, industrial increases have been double the rate of inflation. Over that time rates have gone up 100% for some companies, and Wisconsin now has some of the highest industrial electric rates in the Midwest. (Our energy-efficiency efforts, which have been considerable during this time, have been eclipsed by the upward pressure on rates.) Most homeowners in Wisconsin who track their utility bills could tell a similar story regarding rates.

Facts Not Rhetoric Needed

We also don't believe it's good enough to cloak renewable energy mandates in feel-good rhetoric about all the "green jobs" that will be created and let it go at that. One also needs to ask where these jobs might be created. A November, 2009 Report to Congress of the US-China Economic and Security Review Commission reveals that "China is home to a burgeoning solar industry, due to generous government subsidies for electricity, export incentives, and tariff protections from foreign competition" and that "the United States ran a \$9.6 billion trade deficit for 2008 in green economy products with the whole of Asia" (see p.87). A recent large-scale wind power project in Texas was built using Chinese turbines solely.

We think it's reasonable to ask where the "green jobs" will be located? We shouldn't assume that clean energy products, including solar and wind power equipment, is a new growth business just waiting for Wisconsin entrepreneurs to get involved. China "already has the world's largest solar manufacturing industry and exports more than 95% of its output to the United States and Europe", according to the US-China Commission Report to Congress. China is also a leader in battery technology and it and South Korea supply the lithium-ion battery for the new all-electric Chevy Volt.

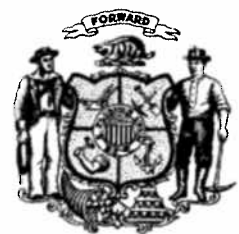
About Protecting Our Economy

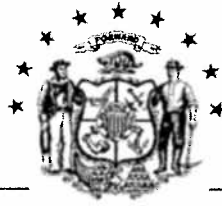
Another major area of concern about the global warming package is the overriding question of the wisdom of a "go it alone" strategy for Wisconsin on climate change while legislation is pending in the Congress. What kind of competitive disadvantages or double jeopardy could this pose for Wisconsin businesses with potentially two sets of differing regulations? What exposure would our employers have in the absence of federal action, leaving "Wisconsin-only" standards and requirements that drive up their cost of doing business but not the competitors'? These are just a few of the possible scenarios that need to be examined. We trust that the Legislature will look at these and a host of other valid questions as this proposal is considered and its impact is fully evaluated.

For further information,
contact WI Cast Metals Association
(262) 244-0045 or blm@wicastmetals.com



WISCONSIN STATE LEGISLATURE





TED ZIGMUNT
STATE REPRESENTATIVE

Testimony for the Special Committee on Clean Energy

February 2, 2010

Co-Chairs Black and Soletski and Members of the Special Committee on Clean Energy.

Manitowoc, Brown and Kewaunee Counties which I represent, like many of our state's counties, have seen its share of hard times, but our talented and skilled workforce is resilient and manufacturing businesses are in recovery from America's economic crisis.

Certain other manufacturers though, while hampered by the turndown, are doing much better than others due to energy and environmental policy already set in place by our state and other sub-national governments.

In Manitowoc County alone, the Renewable Portfolio Standards established by 28 of America's states and districts, have contributed to 170 jobs at Tower Tech a manufacturer of huge wind towers, 600 jobs at Manitowoc Cranes, the manufacturer of lift cranes used to construct wind farms and 230 Jobs at Orion Energy Systems, the manufacturer of very high-efficiency lighting systems, energy control devices and "direct use" renewables.

The jobs at these three companies in Manitowoc, along with the many jobs within the cluster of businesses that support them, are but an example of how carefully crafted environmental and energy policy can positively affect Wisconsin's economy.

Orion Energy Systems is proud of the fact that their company has a technology included in the Energy Jobs Act as a qualifying renewable that can be counted toward achieving our State's Renewable Portfolio Standard.

The Apollo Solar Light Pipe harvests the direct energy of the sun to illuminate a building's interior cavity, oftentimes taking a facility's lighting load completely off the grid.

I am requesting the following changes to the legislation be made.

First, replace the term "non-electric energy" currently used in the bill to describe "direct-use renewables", with the term "renewable non-electric resources".

The latter term is more consistent with other "renewable terms" in the bill and will help define appropriate rule promulgation by the Public Service Commission.

Second, the bill as drafted creates one year Renewable Certificates for the megawatt hours displaced by "direct-use renewables". These certificates are unlike renewable Energy Credits generated currently under state law, making it impossible to trade them regionally, thus dramatically reducing their value.

This solar renewable non-electric resource should generate REC's in exactly the same way as those credits generated by voltage producing technologies.

I would like to thank you for hearing this issue of great importance to the industries of my district and the State of Wisconsin.



Remarks

Assembly Select Committee on Clean Energy
February 2, 2010 10:00 a.m.
Room 412 East, State Capitol
Madison, WI

Co-chairs Black and Soletski and members of the Assembly **Special Committee on Clean Energy Jobs** thank you for the opportunity to testify on Assembly Bill 649 . . . the Clean Energy Jobs Act. Governor Doyle created the Global Warming Task Force back in 2007 to determine Wisconsin's leadership role in renewable energy and energy conservation. The bill before you represents the fruits of this effort turning the comprehensive set of recommendations into legislation. It is a landmark legislative package that will accelerate the state's green economy and create jobs.

I am going to focus my remarks on the job-creating potential of Assembly Bill 649. I trust that you and others in this room recognize the significant environmental impacts of addressing climate change. Importantly, this legislation is also about creating thousands of good, family supporting jobs in Wisconsin. It is about creating a new sector of Wisconsin's economy that will focus on using alternative energy sources and on energy conservation. During the task force's deliberations, the Office of Energy Independence undertook a comprehensive economic assessment of the package. As a consequence, we have industry-recognized research that reports this package, at a minimum, will directly create more than 15,000 jobs in Wisconsin by 2025 with more than 1,800 jobs will be created in the first year alone.

How do we achieve this job-creation goal?

This package will update Wisconsin's Renewable Portfolio Standards to require that 25 percent of Wisconsin's fuel be generated from renewable sources by 2025. The package also sets a realistic goal of a 2- percent annual reduction in energy consumption by 2015.

Updating the Renewable Portfolio Standards will work. Five years ago, Wisconsin was one of the first states to enact RPS. Since then, we have witnessed a rapid expansion in alternative energy production and a real growth in green jobs.

For an example, WE Energies and Domtar launched a project to build a \$250 million biomass plan in Rothschild in central Wisconsin. The plant turns waste wood into electricity and will create 400 construction jobs and 150 permanent jobs.

Updating and setting new standards have other economic benefits. We need to ensure that more of our energy dollars stay in the state. Wisconsin has no coal, no natural gas and no oil deposits. We spend \$16 billion—that is right—\$16 billion—each year to operate our businesses, heat and cool our homes and fuel our vehicles. Those dollars are lost to the Wisconsin economy. It is critical that we keep some portion of these dollars. We have the production capabilities in our forests, in our farm fields and in our factories to utilize these dollars in Wisconsin.

Many Wisconsin companies will benefit from Assembly Bill 649. There are more than 300 companies in Wisconsin that are part of the supply chain for the wind industry, and they employ thousands of people. These firms include companies such as Magnetek and ABB, which are wind component manufacturers. Other Wisconsin companies, such as Johnson Controls, Orion Energy and Kohler, have all built their business models around saving energy and improving energy efficiency.

The potential economic benefits from this bill are enormous, but we need to take action in updating the standards because the world is moving rapidly in this direction. Other states and other countries are recognizing the opportunities for creating economic growth. If we do not stay in front, we will soon be left behind.

Commerce Role:

Code Development: The Department of Commerce will be a key partner in helping to attain the goals underscored in this legislation. As we all know, the cheapest way to lower carbon emissions is through energy efficiency. The bill strengthens residential and commercial codes as a way to improve energy efficiency.

We will adopt the most recent generally accepted standards for energy conservation in construction, and we will submit these updates to the Legislature within 18 months of a revision to the standards.

We will also promulgate rules that establish voluntary energy conservation standards—standards which provide significantly greater energy conservation benefits than those provided under the required Commercial building energy conservation code.

Finally, we will promulgate rules establishing standards for energy in agricultural buildings, as well as rules that require owners of industrial boilers to obtain an annual inspection for compliance with energy efficiency standards.

Beginning in 2013, and every four years after that, Commerce will prepare an assessment on the progress made towards meeting the new building zero energy use goals contained in this bill.

Financing: Our financial and local assistance programs will help communities become more energy-efficient. Our Forward Innovation Fund, Main Street Program, Development Opportunity Program and the Brownfields Program all specify additional criteria to be considered in awarding grants and in selecting communities that relate to promoting the energy-efficiency goals in this bill.

The Department also has a crucial role in administering the volume cap allocation for Industrial Revenue bonds in the state. A portion of these bonds is allocated annually to municipalities for the issuance of private activity revenue bonds that help finance local development projects. Under this bill, the Department will dedicate annually 25 percent of the private activity allocation to help finance clean energy manufacturing facilities and renewable power generating facilities. Because the private activity allocation is approximately \$250 million annually, we will dedicate approximately \$63 million to assist in financing these clean energy-related facilities each year.

Summary and Conclusion:

This legislation is crucial for the future of our state. By investing in clean energy products here in Wisconsin to address the new standards under the strengthened RPS, we will not only be keeping energy dollars in the state . . . and creating thousands of good wage, family supporting jobs, but we will also be taking responsibility to be good stewards of the environment for our children and grandchildren.

Thank you for the opportunity to speak with you today.



February 3, 2010

Representative James Soletski
Room 307 West
State Capitol
Madison, Wisconsin 53708

Dear Representative Soletski:

As a concerned citizen, I have been following the events in the state legislature. I have read the summary of Assembly Bill 649/ Senate Bill 450, a bill you have written and are now debating in the Special Committee on Clean Energy Jobs. While this is a great piece of legislation that deals with issues that the state needs to address, I feel that there is one thing also needs to be addressed, that being job creation.

With the current economic situation, unemployment is high and job creation is imperative. There is also a demand for stricter greenhouse gas emission regulations and cleaner sources of energy, which A.B. 649/ S.B. 450 addresses. Job creation and clean energy legislation should go hand-in-hand. The possibilities are endless, as you know, with jobs in wind, solar, nuclear, geothermal, wave generated, etc. Although these jobs and energy sources are there, I feel the "green collar" job or the green energy industries haven't been taken advantage of to their full potential. I also feel Wisconsin has the ability to be a leader in clean energy and clean energy jobs.

Jobs are needed in Wisconsin. Clean energy is also needed. Why shouldn't they go together, saving the taxpayers money in the long run by killing two birds with one stone? I ask for your feedback related to these topics. Thank you for your service in the State Legislature. I thank you also for your time and I hope to hear from you in the near future.

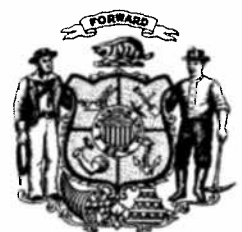
Sincerely,

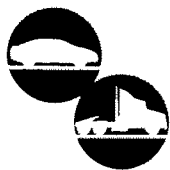


Jonathan Drewsen
557 Sarah Drive
Fond du Lac, Wisconsin 54935



WISCONSIN STATE LEGISLATURE





Wisconsin Automobile & Truck Dealers Association

WILLIAM A. SEPIC
President

150 E. Gilman Street — Level A
Madison, WI 53703
(608) 251-5577 FAX: 251-4379

Mailing Address:
P.O. Box 5345, Madison, WI 53705-0345
www.watda.org

To: Members of the Wisconsin Legislature
Cc: Wisconsin Senate Committee on Clean Energy and Wisconsin Assembly
Committee on Clean Energy Jobs
From: Bill Sepic, President, and Mary Ann Gerrard, Legal Counsel
Date: February 3, 2010
Re: California's Low Emission Vehicle and Zero Emission Standards in Senate Bill
450/Assembly Bill 649

If Senate Bill 450/Assembly Bill 649 is passed as currently drafted, Wisconsin would cede all of its authority for regulating vehicle emission standards to bureaucrats in the California Air Resources Board. Moreover, Wisconsin would become the only Midwestern state to adopt California's extremely expensive standards, which would particularly harm Wisconsin's automobile and truck dealers.

The Wisconsin Automobile & Truck Dealers Association strongly opposes Section 276 of SB 450/AB 649 and calls on the Senate and Assembly to reject these very costly policies that yield no environmental benefits beyond the federal regulations. Below is detailed information explaining the provision in SB 450/AB 649 and outlining the very negative consequences associated with these policies.

Understanding California's Low Emission Vehicle Standards (CA LEV)

CA LEV is a series of standards that regulate tailpipe emissions, fuel efficiency, and the type of motor vehicles produced. Specifically, CA LEV is comprised of three sections – Low Emission Vehicle (LEV) II, the Zero Emission Vehicle (ZEV) Mandate, and greenhouse gas emissions standards (commonly referred to as AB 1493 or the Pavley standards).

The third component of CA LEV – the greenhouse gas emissions standards – is what most people today associate with the program and is the reason why the policy was considered by Wisconsin's Global Warming Task Force.

National Program Removes the Need for Adopting California's Emission Standards

Although we disagree with your premise that SB 450/AB 649 simply adopts the federal standards, we agree with you that the need to adopt California's standards is moot due to the federal regulations currently being implemented.

The Task Force's recommendation to adopt CA LEV was made at a time when federal policy lagged behind state activity in respect to greenhouse gas emissions. In the interim between the Task Force's Final Report and the introduction of SB 450/AB 649, significant activity at the federal level has eliminated any need for individual states to adopt the California program.

On May 19, 2009, automakers joined with President Obama, federal agencies, governors and environmental leaders to announce a commitment to establish a National Program that will reduce carbon emissions and increase fuel economy.

The National Program unifies three unique sets of overlapping requirements:

1. Fuel economy standards administered by the National Highway Traffic Safety Administration (NHTSA) under the Department of Transportation;
2. Potential limits on greenhouse gas emissions from vehicles administered by the Environmental Protection Agency (EPA); and
3. California's proposed greenhouse gas emissions standards, known as AB 1493, that 13 additional states and the District of Columbia have agreed to implement if California receives its requested waiver.

The National Program will require significant increases in fuel efficiency across the entire new vehicle fleet, and will provide automakers the certainty needed for long-term product planning. The result is an expected 30 percent reduction in greenhouse gas emissions, or 890 million metric tons of CO₂ equivalents, from automobiles by 2016. Below is a table showing how the National Program compares with California's emission standards:

	AB 1493 ¹	EISA: NPRM ² May, 2008	National Program
2011	26.7	27.8 Final Rule: 27.3	27.3
2012	29.5	29.2	29.8
2013	29.9	30.5	30.6
2014	30.4	31.0	31.4
2015	31.3	31.6	32.6
2016	32.3	n/a	35.5

The National program will apply to all 50 states, and its implementation will effectively replace the CA LEV greenhouse gas standards for model years 2012 – 2016 in all “California” states. The resulting single national standard – supported by automakers, environmental leaders, and California alike – is more stringent than any of its parts, equating to a combined fleet average of 35.5 miles per gallon by 2016.

CA LEV's greenhouse gas emissions standards were the focal point of the Task Force's decision to include the California standards in its final recommendations. With the development of the National Program, the recommendation is now obsolete.

¹ California Air Resources Board, “Comparison of Greenhouse Gas Reductions for the United States and Canada Under U.S. CAFE Standards and California, An Enhanced Technical Assessment”, February 25, 2008 – Table 6: CA CO₂-Equivalent Standards and Estimated Fuel Economy in Other States – page 10.

² Federal Register, Volume 73, No. 86, Friday, May 2, 2008, “Combined industry wide average fuel economy...”, page 24355.

California's Emissions Standards Do Not Make Sense for Wisconsin

CA LEV is a California program designed by California legislators and regulators – none of whom are accountable to Wisconsin or its residents. In addition to the significant developments at the federal level, we believe CA LEV is the wrong public policy choice for Wisconsin for the following reasons:

1. ***Limiting the sale of Trucks, Minivans, and SUVs.*** In order to comply with California's low emission vehicle standards, automobile and truck dealers would have to severely restrict the number of trucks, minivans, and SUVs they are able to sell in this state. A major difference between the National Program and California's regulations is that the National Program sets varying requirements for vehicles of different sizes; whereas, California's emission standards set fleet average requirements. In order to meet these standards, automobile and truck dealers would be forced to sell more compact and subcompact vehicles. This would be particularly disastrous to Wisconsin automobile and truck dealers who are trying to survive in the economic downturn. Moreover, Wisconsin consumers prefer light trucks. According to 2008 new vehicle registrations, 49 percent of the vehicles purchased in Wisconsin were light trucks (SUVs, light trucks, and minivans).³ Furthermore, Wisconsin would become the only Midwestern state to adopt California's emissions standards, placing Wisconsin's automobile and truck dealers at a competitive disadvantage.
2. ***No Measureable Environmental Benefit.*** The two remaining provisions of CA LEV that are not impacted by the federal agreement include the Low Emission Vehicle program or LEV II and the Zero Emission Vehicle (ZEV) Mandate. These two smog and ozone forming emissions provisions of CA LEV provide no measureable environmental benefit above and beyond the existing federal program, called Tier 2, which Wisconsin already follows.
3. ***CA LEV Does Not Support Wisconsin's Commitment to E85 Technology and Infrastructure.*** California's emission standards constrain the sale of E85-capable, flex fuel vehicles that are critical to the success of the ethanol industry in the state. In model year 2008, 30 models of flex fuel vehicles were available to consumers; however, more than 25 percent of those models were not available in states that adopted California's emission standards.
4. ***Significant Cost.*** The ZEV Mandate, a battery-powered/hydrogen fuel cell mandate, is the most expensive regulation in the history of the California Air Resources Board (CARB). The latest CARB figures estimate that this regulation may cost upwards of \$1 billion annually for the six largest manufacturers, in California alone. However, the ZEV Mandate is not just expensive for manufacturers, it also requires a fiscal commitment by the state to build the infrastructure (hydrogen fueling stations, battery-electric charging stations, etc.) necessary to support the advanced technology vehicles mandated in this provision.
5. ***Handing Regulatory Authority to California Bureaucrats.*** By adopting California's low emission vehicles standards, Wisconsin would turn its regulatory authority over to the California Air Resources Board (CARB) and tie itself to all future changes CARB makes. Incidentally, CARB is in the process of completely overhauling both LEV II and the ZEV Mandate. Wisconsin will have no material impact on any emerging regulations, but will be obligated to adopt every change made.

³ See <http://www.autoallianceonline.com/redirects/autochoice/>.

Conclusion

In conclusion, the Wisconsin Automobile & Truck Dealers Association, the Alliance of Automobile Manufacturers, and Wisconsin Corn Growers Association strongly oppose the proposed greenhouse gas and other vehicle emission limitations contained in SB 450/AB 649.

In summary:

- With the adoption of the National Program on greenhouse gas emissions and fuel economy, the driving factors behind the Task Force's recommendations to adopt California's low emission vehicle standards in Wisconsin were addressed. The new federal standards are more stringent than California's standards and apply nationwide.
- California's emissions standards will not support Wisconsin's commitment to E85 technology and infrastructure.
- Adopting CA LEV provides no measureable environmental benefit above and beyond the existing federal standards and in turn come at a significant cost to this state.
- The legislation will severely limit the vehicles that can be sold in Wisconsin and will increase the cost of those vehicles.
- By adopting California's standards, Wisconsin will cede all its authority to non-elected bureaucrats on the California Air Resources Board.

We ask the Senate and Assembly to reject the adoption of California's low emission vehicles and Zero Emission Vehicles standards, and continue to adhere to the federal standards that are soon to be in place.





Fox Cities

Chamber of Commerce & Industry

February 8, 2010

Senator Jeff Plale, Chair
Senator Bob Wirth
Senator Pat Kreitlow
Senator Sheila Harsdorf
Senator Jon Erpenbach
Senator Rob Cowles
Senator Neal Kedzie

Representative James Soletski (Chair)
Representative Josh Zepnick (Vice-Chair)
Representative Anthony Staskunas
Representative Jon Richards
Representative John Steinbrink
Representative Joe Parisi
Representative Ted Zigmunt
Representative Michael Huebsch
Representative Phil Montgomery
Representative Mark Honadel
Representative Kevin Petersen
Representative Rich Zipperer

Re: SB-469/AB-696

Dear Senate Utility Committee, and Assembly Committee on Energy and Utilities Members:

The Fox Cities Chamber of Commerce and Industry (The Chamber) is an organization representing the interests of over 1,500 businesses, both large and small, throughout the Fox Cities metropolitan area.

In December of 2002, the Chamber took a strong position in support of the rapid deployment of advanced telecommunications services via a free and open marketplace as vital to our state and national interests.

Here we are eight years later with yet another opportunity, via the Wisconsin Access Reform and Parity Legislation (SB-469), to promote investment and stimulate job creation in the telecommunications industry.

Consumers are clearly benefiting from the accelerating convergence of technologies that allows for vibrant, cross-platform competition in voice, video and broadband. This progress also creates the urgent need for regulatory parity to ensure that consumer choices, rather than uneven policies, shape the future of this vibrant and innovative marketplace.

The ability to achieve regulatory parity among competing providers has been extremely important to creating the climate that has supported today's levels of investment. The language in SB-469/AB-696 takes us one step closer toward ensuring all telecommunications providers are dealing from a position of strength, supported by regulations that ensure fairness and opportunity to all.

We ask that you support SB-469/AB-696.

Sincerely,

William J. Welch
President & CEO



Highway Users Memorandum

To: Co-chairperson Mark Miller
Co-chairperson Jeffrey Plale
Members of the Senate Select Committee on Clean Energy
Co-chairperson Spencer Black
Co-chairperson James Soletski
Members of the Assembly Special Committee on Clean Energy Jobs

From: Aggregate Producers of Wisconsin
Independent Business Association of Wisconsin
Marathon Oil Company
Midwest Equipment Dealers Association
Midwest Food Processors Association
National Federation of Independent Business – Wisconsin Chapter
Wisconsin Automobile & Truck Dealers Association
Wisconsin Automotive Aftermarket Association
Wisconsin Grocers Association
Wisconsin Housing Alliance
Wisconsin Manufacturers & Commerce
Wisconsin Motor Carriers Association
Wisconsin Petroleum Council
Wisconsin Petroleum Marketers & Convenience Store Association
Wisconsin Retail Council
Wisconsin Restaurant Association

Date: February 9, 2010

Subject: **SB 450/AB 649, relating to recommendations of the Governor's Task Force on Global Warming**

As representatives of Wisconsin's highway users and fuel-supply organizations, we share a common interest in fostering and supporting a healthy Wisconsin economy. A number of us have communicated to you, both in writing and in person, our deep reservations that implementation of the recommendations of the Governor's Task Force on Global Warming (SB 450/AB 649) will have dire, negative effects on Wisconsin. In particular, SB 450/AB 649 would create a new renewable portfolio standard of 25 percent by the year 2025 which, we estimate, would cost ratepayers roughly \$15 billion in renewable energy power plant construction costs.

In this memorandum we wish to highlight aspects of the recommendations of the Governor's Task Force on Global Warming which, we think, would have a detrimental effect on individuals and businesses which make use of Wisconsin's network of highways and local roads.

Opposition to Low Carbon Fuel Standard

SB 450/AB 649 would require the Wisconsin Department of Natural Resources to promulgate, by rule, a "low carbon fuel standard" if certain conditions are met. We believe it is inevitable that the conditions contained in SB 450/AB 649 would be met.

For Wisconsin, a low carbon fuel standard would ban or severely restrict usage of corn ethanol and Canadian crude oil. Both are carbon intensive fuels. Under SB 450/AB 649, therefore, two motor vehicle fuels critical to Wisconsin would be restricted. Such a restriction would lead,

inevitably, to motor vehicle fuel supply constraints and increased fuel prices. A recent study concluded a low carbon fuel standard would increase gasoline costs in Wisconsin by up to 61 cents a gallon, bad news for Wisconsin individuals and businesses.

By discouraging or banning the use of corn ethanol and Canadian crude oil in Wisconsin, Wisconsin would, we predict, rely more heavily on crude oil from the Middle East. And make no mistake, Canada will continue to extract its crude oil, it just will be exported elsewhere, negating any perceived environmental benefit.

Opposition to California Low Emission Vehicle Standards

SB 450/AB 649 would require the Wisconsin Department of Natural Resources to promulgate, by rule, statewide emissions limits for passenger cars, light-duty trucks, and medium-duty trucks that are passenger vehicles and have gross vehicle weights of 10,000 pounds, or less. The new emission limits would be identical to California-adopted emission limits and would be updated to reflect changes made in California to its emission limits.

California emission limits, if adopted in Wisconsin, could greatly limit the sale of trucks, SUVs, and minivans in Wisconsin. No Midwestern state has adopted California's emission standards and Wisconsin should not become the only Midwestern state to cede its regulatory authority to California bureaucrats. These emission limits would, a recent study concluded, result in a net cost increase of \$968 for every new vehicle sold in Wisconsin.

Opposition to New Carbon-Audits of Transportation Projects

SB 450/AB 649 would require the Wisconsin Department of Transportation to conduct new, intensive carbon-audits of proposed transportation projects. The audits would require the department to calculate the total greenhouse gas emissions and energy use which would result from a proposed transportation project, over the life cycle of the project. The audit would include assigning and considering the monetary value of the resulting greenhouse gas emissions and energy use.

These new carbon-audits, we fear, would greatly undermine the ability of the Department of Transportation to ensure Wisconsin's transportation network infrastructure is adequate to meet the needs of Wisconsin shippers and other motorists. Effectively, we predict, these new carbon-audits, over and above the existing environmental and economic evaluations currently made, would serve to stymie Wisconsin's ability to, for example, expand highway capacity, where needed. As users of the system, our members know and understand the importance of our existing transportation network and oppose these attempts to enact new hurdles to transportation projects.

Opposition to Flawed Diesel Engine Idling Standards

SB 450/AB649 would prohibit the operator of a truck tractor from idling the truck tractor's engine for more than five minutes in any sixty-minute period unless certain conditions are met. Generally, we believe that reducing diesel idling makes sense both from an environmental and economic perspective, but that the provisions in SB450/AB649 are unworkable. As drafted, they would jeopardize highway safety, would not address off road vehicles, and would fail to insure uniformity of the regulations throughout the state.

We would suggest alternative language to accomplish a similar objective. The Clean Diesel Coalition, consisting of a number of business organizations as well as some environmental groups and the DNR has been working on a draft of idling regulations for over a year and we feel that it is a better alternative to what is included in SB 450/AB 649. We respectfully encourage you to consider this alternative as stand-alone legislation.

In closing, we look forward to working with you as the Legislature considers implementing the recommendations of the Governor's Task Force on Global Warming.

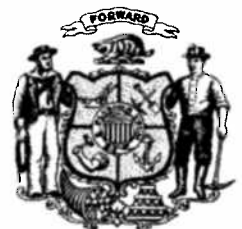
For more information contact, please contact:

Thomas Howells at (608) 833-8200, email thowells@witruck.org
Pat Osborne at (608) 258-9506, email osborne@hamilton-consulting.com
R.J. Pirlot at (608) 258-3400, email rjpirlot@wmc.org
Bill Sepic at (608) 251-5577, email wsepic@watda.org

Cc: Wisconsin legislators



WISCONSIN STATE LEGISLATURE





Wisconsin Builders Association

DATE: February 10, 2010

TO: Senate Select Committee on Clean Energy
Assembly Special Committee on Clean Energy Jobs

FROM: Brad Boycks, Director of Government and Political Affairs
Patrick Stevens, General Counsel

RE: Climate Change Legislation

The Wisconsin Builders Association has significant concerns regarding the cost implications of SB 450/AB 649 bills, and how these costs may impact the ability of Wisconsin's citizens to afford homes. Beyond those general concerns, we have some specific concerns that are set forth below.

Before getting into those issues, it is important to note that WBA has been a supporter of energy efficiency and green efficiency. WBA has endorsed the "Green Built" program in Wisconsin. Moreover, many of our members build Energy Star" homes. In addition, the WBA Foundation helped fund the construction of a "Trend Home", which served as a model of energy efficiency and green building. Consequently, the policy concerns expressed below should not be misconstrued as any wavering in WBA's commitment to provide the citizens of with energy efficient homes at an affordable price. In fact, if anything, these concerns arise from our members' expertise in both home construction and their desire to continue providing the most efficient, green, quality homes that Wisconsin families can afford.

A. Energy Conservation Code Requirements for One and Two Family Dwellings

WBA requests the provisions relating to the energy conservation code for one and two family dwellings be deleted from these bills (page 66, lines 16 through page 69, line 15).

Wisconsin currently has a Uniform Dwelling Code (UDC) that applies to one and two family dwellings. UDC currently contains stringent energy conservation provisions. Under the climate change bills, Wisconsin Department of Commerce (DOC) would be required to adopt an energy conservation code containing design standards for "construction and equipment" that conforms to the International Energy Conservation



4868 High Crossing Boulevard • Madison, Wisconsin 53704-7403
(608) 242-5151 • (800) 362-9066 • Fax (608) 242-5150
www.wisbuild.org

Code (IECC) or generally accepted code that generates at least the same energy conservation benefits. DOC could only adopt less stringent standards than those in the code if the "code is unreasonably burdensome because of specific conditions in this state" and the less strict conditions provide the greatest conservation benefits consistent with those conditions. However, DOC could adopt more stringent requirements if costs and benefits are considered. An existing statutory requirement specifying the DOC consider costs and benefits associated with adopting all code provisions is or similar code was adopted.

WBA is adamantly-opposed to this provision for a number of reasons. Cost is a critical consideration in all Wisconsin's building codes, including the energy code. One of WBA's main objectives is to work towards providing the people of Wisconsin with affordable housing, and this is directly contrary to achieving that goal. Moreover, we disagree with the notion that Wisconsin should automatically adopt an international code with only extremely limited opportunities to change the code. Wisconsin should not abrogate its ability to adopt an energy code, or other building codes, that it believes is in the best interest of its citizens, given consideration of all relevant factors. In addition, Wisconsin's existing energy code is very stringent. If there is a perceived inadequacy, that should be addressed through the UDC process.

WBA also has a concern over what appears to be a significant expansion of DOC's duties under these bills. Currently, Wis. Stat. § requires DOC to "establish standards for construction and inspection of one- and 2-family dwellings and components thereof." In contrast, the bills require DOC to adopt "an energy conservation code that sets minimum design standards for construction and equipment for the purpose of energy conservation in one- and 2-family dwellings" (underline added). WBA questions what is meant by the reference to "equipment." Does this requirement, for example, that DOC is to set standards for all appliances, televisions, light bulbs, toasters and other items that are used in a house? Is this really the intent of the authors?

B. Energy Conservation Code Requirements for Multifamily Housing

These bills contain similar provisions to those discussed above for Wisconsin's commercial building codes, and we request that these provisions be removed (page 62, line 3 through pages 64, line 15).

These changes impact the commercial building code, which also applies to multifamily housing. We recognize that under current law Wisconsin generally follows the International Energy Conservation Code. However, under current law see (Wis. Stat. § 101.027(2)) there is a requirement to consider the costs and benefits associated with a

proposed energy conservation code requirement. Under the bills, this language is eliminated (see page 63, lines 14 through 18).

C. Voluntary Environmental Commercial Code

These bills require the Department of Commerce to promulgate rules that set voluntary design standards for reducing the environmental impact of constructing, maintaining and using public buildings and places of employment (page 64, line 17 through page 65, line 6).

We request that a provision be added to this section that prohibits local governments from mandating the use of this voluntary code. Local units of government have the ability to go beyond the state commercial code. While this code is "voluntary", we are concerned that local governments will mandate the use of the code.

D. Surface Transportation Planning to Achieve Greenhouse Gas Emission Reductions

WBA has concerns regarding the impact of these provisions on development. We request that the requirement in regard to developing strategies for the implementation of zoning and other land use regulations and plans be eliminated from the bills (page 48, lines 18-20).

This portion of the bills requires the Department of Transportation (DOT), in "consultation" with the Department of Natural Resources and others, to identify certain strategies for reducing greenhouse gases. In identifying these strategies, DOT is required to consider the implementation of zoning and land use regulations and policies to support increase population density, transit oriented development or redevelopment, or mixed-use development. These strategies, to the "extent practicable", are to be incorporated into the transportation plans and transportation improvement programs prepared by the state and metropolitan planning organizations.

WBA objects to the provision referenced above for a number of reasons. Zoning and land use policies and decisions should be formulated at the local level, and not at the state level. Moreover, decisions regarding development decisions need to be considered in light of other important considerations, such as the needs of the community and economic development opportunities, and not simply based on theoretical greenhouse gas reductions. In addition, the "extent practicable" standard, with its corresponding lack of clarity, simply provides fodder for litigation to attempt to block needed projects that are supported by local communities.



February 10, 2010

Dear Wisconsin Legislator,

After careful review the following agricultural organizations wish to express our concerns with AB 649 & SB 450. Our members are the producers, processors and input suppliers of Wisconsin's \$59 billion agricultural industry which employs 10% of Wisconsin's work force. While agriculture could eventually gain from some of the provisions in AB 649 & SB 450, at this time there are too many unknowns as to the costs and environmental benefits that would result from AB 649 & SB 450.

Our members are concerned that no cost benefit analysis has been done to properly evaluate the new costs to be incurred against any offsetting benefits to agriculture, which is an energy-dependent industry. A related issue is the unknown potential for job gains or losses. We are hopeful there will be a substantive analysis that will determine what the overall impact of the bill will be on the state's number one industry, agriculture. In addition to the economic question if agriculture were to adhere to every aspect of the bill, we need to know what the impact will be on Wisconsin's environment.

Every recommendation for incentives in the Governors Global Warming Task Force from the Ag and Forestry Working Group that would help rural Wisconsin cope with the certainty of a higher cost of living was unfortunately left out of AB 649 & SB 450. Our state's rural residents are already at an income disadvantage and rural areas generally trail urban areas in job creation. For example, what's labeled as an incentive for agricultural producers to grow bioenergy crops has no dollars appropriated to fund it. Rather, funding is punted to the first day of the next fiscal biennium and the resourcefulness of a Legislature not yet elected. We feel it will be difficult to ask our constituency to accept the certainty of higher energy prices in exchange for the slender hope that the 2011-12 Legislature will discover a meaningful funding source. Furthermore, other state incentives recommended by the Ag and Forestry Work Group to promote development of distributed generation in rural areas are dropped in favor of electric rate subsidization that will hurt low-income households already having difficulty paying their bills.

We look forward to working with you to produce legislation that will benefit Wisconsin's \$59 billion agricultural industry and provide meaningful environmental benefits to all citizens of Wisconsin.

Thank you for your consideration of our concerns.

Sincerely,

Cooperative Network
608-258-4400

Wisconsin Poultry and Egg Industries Association
920-648-8341 ext. 223

Wisconsin Agribusiness Council
1-877-WIS-AGRI





Wisconsin Council of Churches

750 Windsor Street, Suite 301 Sun Prairie, WI 53590-2149
Ph 608.837.3108 Fax 608.837.3038 E-mail wcoc@wichurches.org

MEMBERS

American Baptist Churches
Christian Church
(Disciples of Christ)
Church of God in Christ
Church of the Brethren
Episcopal Church
Evangelical Lutheran
Church in America
Greek Orthodox Church
Moravian Church
Orthodox Church in America
Presbyterian Church (USA)
Reformed Church in America
United Church of Christ
United Methodist Church

OBSERVERS

Roman Catholic
Archdiocese of Milwaukee
Diocese of LaCrosse

ASSOCIATE MEMBERS

Benedictine Women
of Madison
Church Women United
Interfaith Conference of
Greater Milwaukee
Leadership Conference of
Women Religious Region 9
Madison Area Urban Ministry

Scott D. Anderson,
Executive Director

TO: Assembly Select Committee on Clean Energy
FROM: Peter Bakken, Coordinator for Public Policy
Wisconsin Council of Churches
RE: Clean Energy Jobs Act AB 649
DATE: February 11, 2010

My Name is Peter Bakken. I'm the Public Policy Coordinator for the Wisconsin Council of Churches, an association of thirteen Protestant and Christian Orthodox denominations in Wisconsin, including the Evangelical Lutheran Church in America, the United Methodist Church, the Presbyterian Church (USA), the United Church of Christ, and the Episcopal Church. Together, we comprise some 3000 congregations and almost a million members, and reach every corner of this state.

I am here to speak in support of the Clean Energy Jobs Act.

Across Wisconsin, churches and other faith communities have taken measures to reduce their use of fossil fuels by conserving energy, installing energy-efficient equipment, and adopting clean renewable energy sources.

Three Wisconsin churches have received EPA's Energy Star Congregations Awards for their achievements in energy conservation – Saint Andrews Lutheran church in Wausau, St. Therese Catholic Church in Appleton, and Madison Christian Community. Many more Wisconsin congregations have been featured in local and church media: First Presbyterian Church (Marshfield), First Unitarian Society (Madison), Christ the Servant Lutheran Church (Waukesha), Saints Peter and Paul Catholic Church in Green Bay, Saint Matthew Lutheran Church (Wauwatosa), Unitarian Universalist Church West (Brookfield), Lake Park Lutheran Church (Milwaukee), and Unity Lutheran Church (Milwaukee) – to name only a few.

They have done so for reasons that are highly relevant to the legislation we are discussing here today.

One reason is simply to exercise good stewardship by saving money. Congregations like businesses, households, and governments have finite budgets, and better things to spend money on than energy bills. These congregations have recognized that a short-term investment to reduce energy consumption yields long term returns that will enable them to better minister to their members and serve their neighbors in need.

*We pray and work together for the unity and renewal
of the church and the healing and reconciliation of the world*

In the same way, the Clean Energy Jobs bill can benefit the individuals, businesses, and communities of Wisconsin by promoting conservation and energy efficiency, ultimately lowering overall energy costs and reducing the amount of money we send out of state by importing coal and oil to meet our energy needs.

A deeper motivation for these communities of faith, however, is to help secure a cleaner, healthier, and more just world for present and future generations. Our reliance on fossil fuels threatens the health of our most vulnerable neighbors today: neurological damage from mercury released into the atmosphere by the burning of coal; asthma from air pollutants; water poisoned by coal mining waste from mountaintop removal in Appalachia; toxic wastelands from the exploitation of Canadian oil sands; and so on. These are real and present costs that are not accounted for by our current system of energy pricing.

Further, it is clear that the projected consequences of climate change will fall most heavily on the poorest of the global poor, who have done the least to create the problem and who lack the resources to adapt to increases in drought, flooding, heat waves, sea level rise, and infectious diseases.

In short, these communities of faith have taken steps to reduce their energy consumption because it is the right thing to do – not only for the sake of maintaining the beauty, stability, and integrity of the creation, but also as a matter of justice for the least powerful and prosperous of our brothers and sisters.

The Clean Energy Jobs bill provides an opportunity for promoting justice as well as health here at home, provided we take steps to enable low-income people in Wisconsin to share in the economic benefits of a new clean energy economy. We therefore support the concerns of the Wisconsin Community Action Program Association that the final bill include measures to restore and protect the utility public benefits fund, and to help make new alternative energy and energy efficiency jobs pathways out of poverty.

Actions by a single congregation to employ renewable energy sources or conserve energy may not seem to amount to much, but this brings us to a final reason why people of faith have found it worthwhile to do so. As congregations – and households, communities, and even states – step forward to take constructive action, they set in motion the beneficial social contagion of exemplary leadership.

Exemplary leadership informs the imagination by showing that a better way is possible, that we have gifts of creativity and innovation that can leave a better world and a better way of life for our children and future generations.

Exemplary leadership removes the excuse of those who insist on waiting until others have taken the first step, by taking that step oneself. It recognizes that the actions of a single congregation, or state, are not taken in a vacuum. They are not sufficient in themselves, but they are part of a larger process of change. In taking responsibility for our own impact on the world, however limited, we influence the actions and perceptions of others.

The Clean Energy Jobs Act will demonstrate Wisconsin's determination to exercise exemplary leadership and the commitment of American citizens to take constructive action to solve our economic and environmental problems. We therefore respectfully urge this committee to recommend passage of

AB 649

Thank you for your time and your attention.



TO: Members of the Assembly Committee on Clean Energy Jobs
FROM: Margi Kindig
DATE: February 12, 2010
RE: Clean Energy Jobs Act, AB 649

I was a citizen member of the Governor's Task Force on Global Warming. As such, I was one of only two members of the Task Force who did not represent a special interest or have an employer whose views I was obligated to reflect. I was free to bring an unbiased and common-sense perspective to the discussion.

These are a few things which are important to know about the task force process:

- This was a skillfully led, collaborative process in which no one's voice was stifled. Non-task force members as well as members of the public were welcome to participate.
- Costs were a very important and carefully considered subject of both discussion and modeling.
- The final report represents a delicate compromise which was carefully developed to achieve the widest possible support for the recommended policies.
- With a few exceptions, the consensus at the end of the process was that the recommended suite of policies represents a strong, effective, and achievable response to the enormous challenges posed by anthropogenic climate change.

Several principles should inform our discussion and guide our action as the CEJA is considered.

Observed events are unfolding more rapidly than climate models predicted

Climate models underestimated the speed at which projected changes would occur. Glaciers are melting more rapidly than predicted; the ocean is losing its ability to absorb carbon more quickly than expected; and 100-year weather events have already become much more commonplace. We are already paying dearly for our inaction of the past. Although we cannot automatically attribute any single severe weather event – such as the Lake Delton flood – to atmospheric carbon concentrations, the difference between isolated events on the one hand, and long term trends on the other is crucial. The trend is obvious.

We need all of the policies in the package

Modeling done for the Task Force projects that if all the recommended policies except cap and trade were implemented, Wisconsin's greenhouse gas emissions would return to 2005 levels by about 2014. Contrary to some peoples' suggestions, this does not mean the policies will lead to failure and we therefore shouldn't enact them; rather it means we need *all* the policies in this bill *now*, and may eventually need to do more as the future unfolds. Without these policies, emissions will rise substantially.

In order to maximize the benefits of all the recommended policies, it is important not to double count them. Energy efficiency and conservations measures should not be counted towards the RPS.

Energy Conservation and Efficiency Measures are the Cheapest, Easiest and Lowest Risk Options for Reducing Greenhouse Gas Emissions

There seems to be widespread agreement on this, but even this obvious point has been subject to some attack and manipulation to serve special interests. It is crucial that the savings achievement goals of 2% of electric use and 1% of natural gas use be firm. The language recommended in the memo from the Task Force co-chairs dated January 26, 2010 should be incorporated.

Early action is both crucial and cost-effective

Just like saving for retirement, early investment pays the greatest dividends, both in responding effectively to climate change and in absolute dollars.

Carbon dioxide stays in the atmosphere for about a century. Many of the impacts we are already experiencing and observing - movement and extinction of species, more severe weather events such as floods and droughts, and more chaotic climate generally - are the result of carbon emitted decades ago. Our emissions today add to the already accumulated carbon in the atmosphere. Obviously, getting to the now recommended 350 ppm from 385 ppm is easier than getting there from 400 or 450 ppm.

People are understandably concerned about adding *any* expense to their already stretched budgets. However, there has been little attention paid to the fact that early action will actually save us money in the long run. The careful modeling done by the Technical Advisory Group of the Global Warming Task Force shows that implementing the recommendations of the task force will actually **lower** electricity bills in the long run. (see attached chart presented at the Task Force's June 10, 2008 meeting.)

The cost of doing nothing will be much higher than the cost of acting now

There are few reliable studies about the costs of doing nothing to reduce our greenhouse gas emissions. The Stern Review is perhaps both the most extensive and the most reliable, and it showed that the cost of doing nothing could reach 20% of gross global product by 2050, while the cost of effective action to reduce greenhouse gas emissions over the same period of time is likely to be no more than 1-2%.

We may not be able to put an exact price tag on our failure to act, but we need look no further than Gays Mills, Lake Delton, and, most recently perhaps, Washington DC to know that chaotic climate is already costing us dearly.

This is not a partisan issue

Unfortunately, politics today has become so partisan, and so rooted in ideology, that neither facts nor the soundest science seem to guide policy-making. Why climate change should be a partisan issue is simply beyond comprehension. We are all in this together, and everyone's children and grandchildren will bear the burdens of our inaction.

For their sakes, we must act now and pass the Clean Energy Jobs Act.

Governor's Task Force on Global Warming

Relative Electric Prices and Costs

Technical Advisory Group

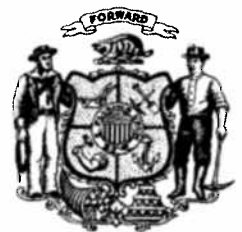
June 10, 2008

Electricity Prices (Rates) in 2020			
% Change from Reference Case			% Change from High Fuel Reference Case
Sector	All Policies (except for Cap and Trade)	All Policies plus Deep Carbon Reductions	All Policies with 50% Higher Fuel Prices
Residential	10.9%	11.6%	9.1%
Commercial	13.5%	14.1%	11.0%
Industrial	15.9%	16.3%	12.4%
Average Retail	13.5%	14.1%	11.0%

Electricity "Bills" in 2020			
% Change in real \$ cost from Reference Case			% Change from High Fuel Reference Case
Sector	All Policies (except for Cap and Trade)	All Policies plus Deep Carbon Reductions	All Policies with 50% Higher Fuel Prices
Residential	-10%	-2.4%	-3.7%
Commercial	-7%	-16.7%	-16.7%
Industrial	-5%	-17.0%	-16.3%



WISCONSIN STATE LEGISLATURE



Wisconsin Supplier Development Council

12 February 2010

Representative Jim Soletski
88th Assembly District
Room 307 West
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Chairman Soletski:

I am writing to encourage your support for SB 469/AB 696, Wisconsin Regulatory Parity Legislation. Passage of this bill will provide fairness and balance to existing telecommunications laws and encourage investment, jobs and competition.

As the President of the Wisconsin Supplier Development Council, I have the responsibility of partnering with Wisconsin-based corporations and Midwest businesses to encourage participation of minority, women-owned, veteran, and disadvantaged businesses as diverse suppliers in corporate procurement opportunities. The marketplace for supplier diversity procurement opportunities began in 1968, and my work for more than 40 years as a minority business advocate has centered on investment and job creation by private companies. This aspect of minority business development depends on the willingness of companies to invite minority entrepreneurs to the table to place bids on procurement opportunities.

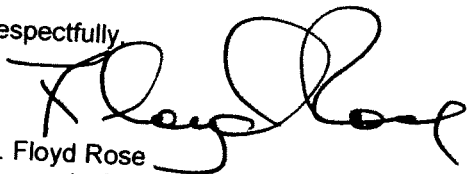
Failure on the part of the Assembly Utilities Committee and the State Legislature to enact SB 469/AB 696 will undo 40 years of getting minority businesses to the table to negotiate with telecommunications companies who invest in this state. Failure to act in support of this bill will have a chilling effect and likely eliminate minority business development opportunities in the state. Your committee has the power to make change by voting in favor of this legislation. Removing outdated regulatory rules that no longer apply is a good first step toward improving the economy.

Sustaining existing employment while creating new businesses and putting people back to work should be a priority for this Legislature. To that end, the Legislature should establish an environment that is fair and free of unnecessary regulatory barriers for all telecommunication service providers. Going forward, the Legislature must adopt the attitude of removing the handcuffs from companies that make investments, create jobs and business development opportunities.

I strongly encourage you and members of the Assembly Utility Committee to vote in support of SB 469/AB 696. When Wisconsin regulators and lawmakers create an environment that encourages businesses to stay and invest in Wisconsin, we all reap the benefits.

Thank you for your time and consideration.

Respectfully



Dr. Floyd Rose
Wisconsin Supplier Development Council

CC: State Representatives Josh Zepnick, Jon Richards, Anthony Staskunas, Ted Zigmunt, Joseph Parisi, John Steinbrink, Phil Montgomery, Mark Honadel, Kevin Petersen, and Michael Huebsch



Ritger Law Office

ATTORNEYS AND COUNSELLORS AT LAW

EDWARD J. RITGER
KATHERINE J. KRUGER
e-mail: ritgerlw@execpc.com

675 WOLF ROAD
P.O. BOX 371
RANDOM LAKE, WISCONSIN 53075

(920) 994-4313
(920) 668-6419
FAX (920) 994-9704

February 13, 2010

Assembly Select Committee on Clean Energy
Wisconsin State Assembly
State Capital
Madison, WI 53707

Re: Hearing on Renewable Energy

Dear State Representatives:

The Ritger Law Office represents landowners who are interested in commercial wind development across the state of Wisconsin. Our clients include the landowners who host the Butler Ridge Wind Farm in Dodge County and the Cedar Ridge Wind Farm in Fond du Lac County. We also represent hundreds of other landowners from Grant County in the southwest to Door County in the northeast, all of whom are interested in hosting commercial wind development of their land.

The biggest problem for wind development from a landowners perspective is a lack of markets for the wind energy produced. The lack of demand for renewable energy is causing low rent prices for landowners and long delays, and sometimes indefinite delays, in the development of wind farms developed by utilities and energy companies.

Furthermore, a lack of access to markets has completely blocked any ability of landowners, small businesses or small communities from developing their own commercial scale wind power. Many other states and foreign countries have seen the benefits of distributed commercial wind power where one or two commercial wind turbines in a particular location will feed power directly into the local grid.

For example, in the state of Minnesota there are over 470 megawatts of installed commercial scale wind power owned by farmers, small business people, school districts, farm coops and other community groups. In Wisconsin there are no such projects because the utilities will not buy the power and there appears no legal mechanism to sell the power directly to energy consumers.

As an example, I myself have developed six commercial scale distributed wind projects in Washington, Ozaukee, Fond du Lac and Sheboygan Counties. All permits have been obtained

Page 2
State Assembly
February 13, 2010


and financing and wind turbines are available. However, because there is no market for the electricity, these projects have sat for more than five years without any construction activity. Unless you do something to open markets, these projects will likely sit for a lot longer.

There are many landowners, small business people and other community organizations that are anxious to invest in commercial scale wind projects in Wisconsin. It is your opportunity and challenge to open the doors to permit this investment.

Thank you for consideration.

Respectfully submitted,

RITGER LAW OFFICE



Edward J. Ritger

EJR/no